How Japanese Run a Business

By Wiliam W. Buef

Why is it that Japanese firms are so often ascribed to being "efficient"? Because Japanese companies are commonly thought of as "model" companies, and because the Japanese economy is so highly efficient that "Japanese efficiency" is often taken as a synonym for "efficiency" in general. However, it is important to note that the concept of "efficiency" in Japanese companies does not necessarily mean that they are efficient in the way that Western companies are. The efficiency of Japanese companies is often measured in terms of their ability to achieve high returns on capital employed, and their ability to control costs and to reduce waste. This is in contrast to the way that Western companies are often measured, in terms of their ability to achieve high profits on sales or high profits on assets.

In the late 1960s and early 1970s, Japanese companies were accused of "costly" and "inefficient" operations. However, in recent years, Japanese companies have been criticized for being "too efficient" and "too inflexible." The Japanese economy has been criticized for being "too dependent on" or "too segmented" by region or by industry. The Japanese economy has been criticized for being "too slow to adapt" to changes in the global economy. The Japanese economy has been criticized for being "too focused on" or "too dependent on" exports. The Japanese economy has been criticized for being "too focused on" or "too dependent on" the domestic market. The Japanese economy has been criticized for being "too focused on" or "too dependent on" the government. The Japanese economy has been criticized for being "too focused on" or "too dependent on" the banks.

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